

15 April 2014

**BAGIR GROUP LTD.**

**FIRST DAY OF DEALINGS AND ADMISSION TO TRADING ON AIM**

**SUCCESSFUL PLACING RAISES £20.0 MILLION**

Bagir Group Ltd. ("**Bagir**" or the "**Group**"), a designer, creator and provider of innovative formalwear tailoring, is pleased to announce the commencement at 08.00 today of dealings in its Ordinary Shares on AIM, a market operated by London Stock Exchange plc.

**Admission Details**

- The Placing has raised approximately £20.0 million (US\$33.4 million) before expenses through the placing of 35,714,285 new shares on behalf of the Company (the "**Placing**") at a placing price of 56 pence per Ordinary Share (the "**Placing Price**").
- The total number of Ordinary Shares in issue at Admission is 50,223,210, giving the Group a market capitalisation of £28.1 million (US\$47.0 million) at the Placing Price.
- The Group intends to use the net proceeds of the Placing to:
  - Repay bank loans of US\$9.0 million and repay invoice factoring credit of approximately US\$7.0 million;
  - Provide working capital to support the Group's strategy; and
  - Invest in the Ethiopian production facility, and the Group's IT and R&D departments.
- The Group's trading symbol is BAGR and the Group's ISIN code is IL0011317216.

N+1 Singer Advisory LLP acted as Nominated Adviser and sole Broker to the Group.

**Commenting on the successful Placing and Admission to AIM, Danny Taragan, Chief Executive of Bagir said:**

*"We are pleased to have joined AIM today and this marks an important milestone in the Group's 52 year history. We have received solid support from investors and have raised £20m in a Placing that will be used to pay down existing debt and provide working capital to support the Group's future growth. We would like to welcome our new shareholders to the register and look forward to updating them on our progress."*

Capitalised terms used in this announcement and not otherwise defined shall have the same meaning given to them in the admission document dated 10 April 2014 ("**Admission Document**"). The Admission Document is available on the Group's website: [www.bagir.com](http://www.bagir.com).

All values are based on an exchange rate of £1: US\$1.67

**For further information please contact:**

**Bagir Group Ltd.**

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## **About Bagir Group Ltd.**

The Group designs, creates and provides innovative formalwear tailoring for globally renowned department stores and premium private label brands across the world. Bagir is a full service vendor with a complete end-to-end range of capabilities which customers draw on to varying degrees as a result of the complexities of formalwear tailoring production.

The Group currently has operations in six countries with customers across four countries. Bagir focuses on four core sectors of the formalwear market, namely menswear private label brands, womenswear private label brands, corporate wear and company own brands.

The Company offers a full tailored garment service model that includes fabric and trim sourcing, product technology and innovation, and design and development. The majority of the manufacturing of the Group's garments takes place at closely supervised subcontracted factories in China, Jordan, Myanmar, Vietnam and Romania, where the quality is controlled by the Group to ensure that products meet the expectations of the Company's customers. Additionally, the Company has a joint venture (Metco) in an Egyptian factory which manufactures garments. Further information on Metco is set out in the Admission Document. This flexible sourcing model enables the Group to offer competitive prices to its customers.

In addition to designing and developing tailored garments for retailers and department stores, the Group licenses well-known brands including Simon Carter, Peckham Rye, Austin Reed's AR Red and Jay Godfrey and designs and creates tailored garments for sale by the brand owners. The Company is recognised within the industry and Simon Carter was awarded the menswear brand of the year at the Draper Awards 2013.

For the year ended 31 December 2013, the Group sold over three million items of clothing globally. The Group is focused on developing products which combine fashion, comfort, performance and value. In addition, the Company has designed, launched and sold a number of innovative, higher-margin products such as the world's first machine-washable and tumble-dry suit, the eco-friendly suit which is designed to reduce carbon emissions in the production stage and aftercare, the traveller suit designed to hold its shape after long periods of wear and the iPod compatible suit.

With a more than 12.5 per cent. market share in the UK (by value of items sold), Bagir is a key participant in the men's formalwear market. Bagir's two largest customers in the UK by revenue are Marks & Spencer and Arcadia Group. Additionally, the Directors believe that Bagir has a strong presence in a number of the other leading high street and multiple fashion retailers across the UK.

For the year ended 31 December 2013, the Group generated EBITDA (before exceptional items) of approximately US\$6.1 million on revenue of US\$99.5 million.